

Summary of the first quarter business result for FY March 2006 (Consolidated)

Date: August 4, 2005

Company **Ferrotec Corporation**
Stock Code 6890

Registered on the JASDAQ
Head office location: Tokyo

1. The first quarter business results as of FY March 2005 (April 1, 2005 - June 30, 2005)

Notes 1. This report is non-audited.

Notes 2. Tax effect accounting and other accounting adjustments are not implemented.

Notes 3. Accounting date of Consolidated subsidiaries (14) and affiliates accounted for by the equity method (2) is March 31, 2005.

(1) Results of Operations

(Note: Rounded down to ¥ Million)

	Net Sales		Operating Income		Recurring Income		Net Income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
1st quarter, FY March 2006	5,438	4.4	240	-47.7	138	-52.1	70	-36.3
1st quarter, FY March 2005	5,208	50.4	460	1284.9	290	-	109	-
FY March 2005	21,105		1,762		1,456		633	

(Note) 1. Equity in net earnings of affiliated companies for the fiscal years: ¥-4m in 1Q, FY March 2006, ¥3m in 1Q, FY March 2005
¥-58m in FY March 2005

2. Change in accounting method: None

3. Percentages for net sales, operating income and net income represent change from the 1st quarter of the prior-year.

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' equity to total assets
	¥ Million	¥ Million	%
1st quarter, FY March 2006	30,046	14,991	49.9
1st quarter, FY March 2005	29,342	12,333	42.0
FY March 2005	30,041	14,789	49.2

(3) Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 14 Number of non-consolidated subsidiaries accounted for by the equity method: None

Number of affiliates accounted for by the equity method: 2

(4) Change in scope of consolidation and equity method application

Consolidated subsidiaries(increase) 1 (decrease) None

Equity method companies(increase) None (decrease) None

2. Sales and operating profits by segments

Sales	Equipment-related business	Electronic-devices business	CMS business
	¥ Million	¥ Million	¥ Million
1st quarter, FY March 2006	2,878	876	1,684
1st quarter, FY March 2005	2,578	1,055	1,573
FY March 2005	11,203	3,577	6,325

Operating profits	Equipment-related business	Electronic-devices business	CMS business	Elimination
	¥ Million	¥ Million	¥ Million	¥ Million
1st quarter, FY March 2006	230	-23	44	-11
1st quarter, FY March 2005	278	150	42	-11
FY March 2005	1,374	245	181	-39

3. Forecast of Financial Performance in FY March 2006 (April 1, 2005 - March 31, 2006)

	Net Sales	Operating Income	Recurring Income	Net Income
	¥ Million	¥ Million	¥ Million	¥ Million
Sept. 2005 Interim	10,100	340	170	90
FY March 2006	22,400	1,800	1,500	700

(Note) Forecast net income per share for the year: 35.15 yen